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S E C R E T SECTION 01 OF 04 TEL AVIV 000605

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TAGS: PREL PGOV KWBG EAID EG OA MR MU JO LE IS
SUBJECT: ACTING A/S FELTMAN,S DISCUSSIONS WITH MFA FOCUS ON
LEBANON, ENGAGEMENT WITH SYRIA, ISRAEL'S RELATIONS WITH THE
GULF STATES

Classified By: Political Counselor Marc J. Sievers, reason 1.4 (b) and (d)

11. (C) Summary: NEA Acting Assistant Secretary Jeffrey Feltman met with MFA officials on March 4 to discuss his upcoming visit to Syria, the GOI talks on Ghajjar with the UN, the status of UN Security Council Resolution 1701, and Israel's relations with Mauritania and the Gulf states. Deputy Director General (DDG) for North America Baruch Bina said that U.S. engagement with Syria could be positive, as long as the U.S. avoided the European mistake of increasing relations even as Syria does nothing. Deputy Director of the Center for Policy Research Ya'acov Amitai added that President al-Assad is satisfied with his policies of the past two years, including support for Hizballah and Hamas, so the U.S. should be careful not to reward them for their negative actions. On Ghajjar, DDG for International Organizations Eviator Manor said technical talks were progressing well but there could not be a political deal until the new Israeli government was in place. Israel has also not dropped its desire for Lebanon to be directly involved in the process, but said this involvement is not a "deal breaker." DDG for the Middle Easy Ya'acov Hadas-Handelsman told A A/s Feltman that Israel continues its quiet relationship with the Arab states, and is pleased with the UAE and Bahrain's stand against Iran, as well as Egypt's increased willingness to speak out on the Iranian threat. However, Hadas sees Oman and Qatar as continuing their move toward Iran, and believes Qatar is also pushing Mauritania away from the West. noted that Arab states are telling him they are concerned about U.S. engagement with Iran, and the USG should reassure the Arabs that we understand Iran and will not give too much away with little in return. END SUMMARY.

Israel Supports Appropriate Engagement with Syria

- 12. (C) Ya'acov Amitai, Deputy Director of the MFA Center for Policy Research (INR equivalent), emphasized that any U.S. engagement with Syria must be focused on results. Damascus has reaped benefits from the EU, he explained, while doing very little. There is a gap in perception between Syria and the West, Amitai said, as President Bashar al-Assad thinks his policies over the last two years—including support for Hizballah and Hamas, and closer alignment with Iran—have been successful. Now, Syria wants to consolidate its gains at the upcoming Doha Arab League summit by drawing closer to Egypt and Saudi Arabia, and thereby looking good for the new U.S. administration, without making real concessions. Amitai concluded by saying that if he were to talk to the Syrians, he would warn them about sending advanced arms to Hizballah, supporting the Palestinian, Al-Qaida-linked Fatah al-Islam organization in Lebanon, and destabilizing the region through its support for Hamas and other groups.
- 13. (S) AA/S Feltman replied that the U.S. analysis is almost identical to Israel's views, and his message to Syria will be

that results matter; we are not interested in engagement for its own sake. Feltman outlined three areas where we believe Syria can make progress quickly. The first is on foreign fighters entering Iraq through Syria, which is critical because American lives are directly at stake. We will also be watching Syria's support for Hamas as the international community works to rebuild Gaza, and finally we will work to ensure Syria does not transfer advanced surface-to-air missiles to Hizballah. These are areas where we hope Syria can make progress in the near term to show seriousness, as none of them threaten the regime's survival. Isolating Syria from Iran, Feltman added, will be more complicated, despite Arab assertions that they can move Syria away from Iran in the near future.

¶4. (S) Feltman explained that Syria probably wants to "pocket" three things: U.S. engagement, the return of a U.S. Ambassador, and U.S. involvement in Syrian/Israeli talks. Feltman said the first one will not be fulfilled by his visit, as the Syrians are expecting someone higher, and the second issue is not a done deal. The third, U.S. involvement in Syrian/Israeli peace talks, will be in large measure up to Israel as the U.S. will get involved if the new Israeli government asks us, but not before. Therefore, there is room for the USG to calibrate its engagement with Syria. Feltman underlined that we will not promise any follow-on meetings while in Damascus, and we will be looking carefully at Syrian actions following the meeting. Feltman asked that Israel also watch Syria carefully and let the Embassy know if they detect any change in behavior.

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Israel Engaging UN on Ghajjar

- $\underline{\mathbf{1}}$ 5. (C) In the meeting with Deputy Director General for International Organizations Eviatar Manor (A/S IO equivalent), Manor asserted that Israel is engaged in a serious effort with the UN to resolve the issues related to continued Israeli occupation of the northern (Lebanese) side of the village of Ghajjar, which straddles the Blue Line between Lebanon and the Golan. Israel has already had two rounds of talks with UN 1701 Envoy Michael Williams, Manor said, with UNIFIL Commander Graziano attending one of those meetings. Manor then introduced David Walzer, former Ambassador to Denmark, who has been named Ghajjar coordinator and is leading the negotiations for Israel. Walzer underlined that the most critical factor for Israel is ensuring that the UN will continue to provide the full range of services, including security, to the Israeli citizens in northern Ghajjar after Israel withdraws, and said there will be a technical meeting with the UN on March 5 to discuss these arrangements (NOTE: these citizens are ethnic Alawite Arabs. END NOTE.).
- 16. (C) Manor pointed out that while the technical discussions were progressing well, Israel will not be able to finalize a deal until a new Israeli government is in place, despite the push from the UN to get a deal done immediately. Both Manor and Walzer said that the GOI would also require a clear public statement from the UN that Israel has fulfilled its territorial obligations once it withdraws from the Lebanese side of Ghajjar. Furthermore, Israel will likely seek some international guarantees, possibly from the United States, to ensure that Hizballah will not replace the UN if UNIFIL pulls out without a follow-on agreement. Manor also emphasized that this agreement would be an interim one, and Israel would need either a deadline or at least an idea of the end state for a final agreement.
- 17. (C) In addition, Manor said, Israel has not dropped its desire to get the Government of Lebanon more directly involved in the negotiations over Ghajjar. However, Walzer added, this is not a "deal breaker." Feltman underlined that

Israel is better off without direct GOL involvement, because Lebanese PM Siniora would need to take a much harder line on anything that looks like limits of Lebanese sovereignty if he were directly involved in talks. As it stands, Feltman said an agreement on Ghajjar may spark greater cooperation in the future, especially after the Lebanese elections. Feltman noted that the U.S. supports the establishment of a Lebanon-Israel negotiating track at the appropriate time.

- 18. (S) Manor also raised the draft text of the next 1701 report, due to the Security Council on March 10, which he called "transitional" due to its timing ahead of Lebanese elections. He said that the latest report continues to ignore the issues important to Israel: arms smuggling and Hizballah disarmament. Manor believes UN 1701 Envoy Michael Williams is trying to help the situation in Lebanon by soft-peddling the report, but in reality he is making it worse. Manor noted that the new report refuses to identify Syria specifically for aiding arms smuggling, referring only to "regional powers." The report also blames "citizens," and not Hizballah, for hindering UNIFIL movements in Southern Lebanon, and it does not contain the line from the previous report expressing concern over the possibility of advanced arms transfers to Hizballah. Feltman agreed that an increase in the quality of weapons smuggled to Hizballah would jeopardize 1701, especially if it included advanced surface-to-air missiles.
- 19. (C) On other IO issues, Feltman raised Farouk Hosni's UNESCO Director General candidacy and the Durban II conference. With regard to UNESCO, Feltman said that during the Sharm al-Sheikh conference, Egyptian FM Aboul Gheit requested a few more weeks to make Hosni look better before the U.S. publicly opposes his candidacy. Aboul Gheit said he would work with U.S. organizations (presumably Jewish organizations) and the GOI to clean up Hosni's image. Manor was skeptical, but said he was open to any Egyptian ideas as long as we don't let them stall too long.
- 110. (C) On Durban II, Manor said that he understood why the U.S. engaged to try and fix the agenda and expressed appreciation for the U.S. decision that we would not attend unless the agenda is improved. However, Manor fears the Europeans are hanging on the "unless" statement and are still engaged in futile attempts to save the agenda rather than boycott outright. He urged the U.S. to make clear to the Europeans that the chances of changing the agenda are minimal.

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Israel and the Arab World

- 111. (C) During A A/S Feltman's final meeting, with Deputy Director General for the Middle East Ya'acov Hadas-Handelsman, Feltman explained that the U.S. is wondering whether the Arabs' fear of Iran might be leveraged into more Arab openness to Israel. Hadas explained that Egypt seems more ready to openly oppose Iran if it can succeed in "dragging" Saudi Arabia along with it, while the UAE is getting tougher on Iran. However, he cautioned that Oman and Qatar are moving in the wrong direction.
- 112. (C) Hadas complained about Mauritania's decision to expel the Israeli ambassador, who had been given three days' notice to depart Nouakchott before the arrival of Qadhafi for an official visit. Hadas noted that Mauritania seems to be following Qatar's approach. Citing press reports that Qatar gave Mauritania USD 10 million to "finance elections," Hadas surmised that Qatar is pushing Mauritania to distance itself from the West.
- 113. (C) Hadas added that Qatar needs cooperation from Israel to help rebuild Gaza, but has already tried to circumvent the

- GOI. Hadas explained that Qatar sent a shipload of pasta to Egypt, hoping that the Egyptians would allow it through Rafah. When that did not happen, Qatar tried sending the pasta through Israel under the cover of an NGO. Hadas asserted that there is a lot of aid waiting to enter Gaza, so donations from countries which do not have relations with Israel will not get priority handling in processing.
- (S) According to Hadas, Qatar is being careful on Iran because it believes it will suffer collateral damage in any action against Iran, either by an errant missile or Iran's response. Qatar sees the natural gas field it shares with Iran as especially vulnerable. However, Qatar also believes only military action will stop Iran, leading to some contradiction between Qatar's actions and its private statements. Hadas also pointed out that Israel's relations with Qatar are influenced by the Qatari belief that Saudi Arabia maintains secret, deep ties with Israel. (Note: Hadas acknowledged that Israeli contacts with Saudi Arabia are handled in other channels.) On Oman, Hadas said he recently talked with Omani officials in the foreign ministry, and is discouraged by their continued efforts to accommodate Iran. Hadas contrasted Qatari Prime Minister Hamad bin Jassim's views, which he characterized as privately scathing regarding Iran's regional ambitions while accommodating of Iran in public, with Oman Foreign Minister Yusuf bin Alawi, who appears to believe that Iran is not a threat. Hadas also praised the Bahrainis. Hadas added that Kuwait will follow the Gulf consensus, while Yemen would be viewed as an upstream country in the Iran-Gaza smuggling route, so Oman and Qatar are the keys. The moderate Arab countries, Hadas said, must counter the perception on the Arab street that Hamas won in Gaza and the Palestinian Authority is weak.
- 116. (C) Feltman explained that the USG expended a lot of effort at the Sharm al-Sheikh conference trying to convince the GCC to support the PA and not to take a neutral stand in rebuilding Gaza. This included efforts to stop the GCC from establishing an independent mechanism for their donations. Only time will tell if we succeeded in changing these plans, Feltman noted, but much of what he heard from the GCC was not encouraging.
- 117. (C) Hadas asserted that the Arabs privately tell Israelis things they will not say to the USG, including concerns about the U.S. engaging with Iran. The Arabs accept U.S.-Iranian talks, Hadas said, but are worried that any engagement before the June Presidential elections will strengthen Ahmadinejad. The Arabs have also told Israel that they are not convinced the U.S. knows what it is doing with regard to Iran and are afraid the USG will give up too much for too little in return. He urged the U.S. to engage the Gulf Arabs, and make clear that Washington understands how Iran operates.
- 118. (S) Finally, Hadas said that the new Foreign Minister in Jordan, Nasser Judeh, is an improvement for the GOI, as the last FM virtually froze relations with Israel. Hadas hopes to convince Judeh that engagement with Israel should be strategic, and not just focus on one issue at a time, like the "four prisoners" or the Muhgrabi gate. Hadas opined that Jordan is now asking for "payment" for keeping its internal security situation under control during the Gaza operation. Hadas said that Israel has done a lot for Jordan, including

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promoting the extension of the QIZ with Congress on Jordan's behalf and giving Jordan an increased water allotment, without any payment.

119. (U) Acting Assistant Secretary Feltman has cleared this cable.

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